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November 11, 2009

SENT VIA ELECTRONIC MAIL

Original filed with Arizona Corporation Commission Docket

Janet Wagner
Legal Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

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Arizona Corporation Commission
DOCKET CONTROL

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Re: Docket No. E-20690A-09-0346 – Track One, Special Contract Rate Modification

Dear Ms. Wagner:

As you know, the Commission recently approved two special contracts for Solar Services Agreements ("SSA") between Scottsdale Unified School District ("SUSD") and SolarCity Corporation ("SolarCity") in Track One of the above-referenced Docket No. The Track One Order from that Docket, contained in Commission Decision No. 71277, allowed a range of SSA rates for Coronado and Desert Mountain High Schools between \$.11/kwh and \$.1424/kwh. At the time of the Decision, SolarCity believed that the range of rates was sufficient to accommodate the ultimate SSA price. However, shortly after that Decision, SUSD issued another Request for Proposal from solar providers which compelled SolarCity to offer a new lower rate of \$.09/kwh for additional school SSAs. Because of this new RFP response, SolarCity believed that fairness and good customer relations required them to honor this lower rate retroactively for the two already-approved SSAs for the Coronado and Desert Mountain High Schools.

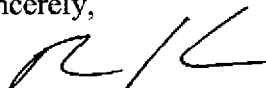
Pursuant to this, SolarCity filed a request in the Docket for Amendment of the Order in Track One to accommodate this new lower \$.09/kwh price. This request was filed on October 22, 2009, and specifically asked for an amendment to an Order under A.R.S. § 40-252. However, at our meeting with Staff on November 9, 2009 we were made aware that Staff believes that approval of the new lower rate may not necessarily require a formal amendment under A.R.S. § 40-252 and that there may be a more convenient way to deal with this issue. As such, please consider this letter a request for the Staff and the Commission to modify the lower boundary of the rate approved for the two SSAs in Track One of this Docket from \$.11/kwh to \$.09/kwh by whatever means and procedure that Staff deems appropriate (subject to the Applicant's agreement) and please do not interpret our previous request under A.R.S. § 40-252

Wagner, Janet
Arizona Corporation Commission
Page 2 of 2
November 11, 2009

to limit the means by which the Commission can resolve this issue and approve the new rate.

Thank you and please contact us with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. Ryan Hurley', written in a cursive style.

M. Ryan Hurley

cc: Arizona Corp. Commission Docket
Charles Haines (*via email only*)
All Parties of Record (*via email only*)